

## Fair Political Practices Commission

### Memorandum

**To:** Chairman Getman, Commissioners Downey, Knox, Scott and Swanson

**From:** Mark Krausse, Government Relations Director

**Subject:** Legislative Report

**Date:** May 24, 2001

#### **Introduction**

The California constitution requires the state budget to be passed by the Legislature by midnight, June 15<sup>th</sup>. In order to meet that timeline, the Legislature's policy committees do not meet between May 25<sup>th</sup> and June 11<sup>th</sup>. June 8<sup>th</sup> is the deadline for bills to be passed out of their houses of origin. (Both of these rules are subject to waiver on a bill-by-bill basis.) Note: Throughout the report, bills that have failed to meet deadlines for passage are given the notation "2-year bill."

#### **Action Items— The Commission's action may be requested on the following items:**

##### **1. Consider whether to take positions on the following bills:**

##### **AB 1325 Negrette-McLeod Lobbyists: Public Utilities Commission**

Expands the definition of payments to influence legislative or administrative action to include payments for the purpose of influencing a ratemaking or quasi-legislative proceeding before the PUC. *Set for Hearing In Assembly Appropriations Committee on May 30, 2001.* If the bill passes out of committee, a staff analysis will be provided to the Commission prior to the June Commission meeting.

##### **SB 3 Brulte Telephone Advocacy 5/22/2001**

Prohibits a candidate, committee or slate mail organization from using campaign funds to pay for telephone calls to support or oppose a candidate or ballot measure unless the call announces that it was paid for or furnished by the candidate, committee or slate mail organization. Phone calls made by a candidate, campaign manager or volunteer are excluded. This bill was amended recently to modify the definition of "mass mailing" to provide greater specificity and expressly include hand delivered items. The bill is an urgency statute and, if enacted, would take effect immediately. Staff will provide an analysis prior to the June Commission meeting discussing concerns over the enforceability of the first provision. **On Senate Floor.**

##### **SB 34 Burton Proposition 34 5/17/2001**

This bill makes several clean-up changes suggested by the Commission and also several substantive changes to Proposition 34. The bill was recently amended in a way that raises concerns from Commission staff. Since author's amendments may resolve these concerns, staff will provide an analysis to the Commission prior to the June Commission meeting. **In Assembly Elections Committee.**

## LEGISLATIVE REPORT

**Informational Item— Bills Amending the PRA**

<b><u>Bill No.</u></b>	<b><u>Author</u></b>	<b><u>Title</u></b>	<b><u>(Intro)/Amend</u></b>
<b>AB 2</b>	<b>Alquist</b>	<b>Independent Issue Advocacy</b>	<b>5/24/2001</b>
Requires online disclosure within 48 hours of any person making a payment or promise of payment of \$5,000 or more for an issue advocacy communication that clearly identifies a legislative candidate made within 45 days prior to an election. <i>Set for Hearing In Assembly Appropriations on May 30, 2001.</i>			
<b>AB 190</b>	<b>Longville</b>	<b>Public financing of campaigns</b>	<b>4/26/2001</b>
Repeals Section 85300 of the Act, the ban on public funding of candidates and creates a new system for publicly funded legislative campaigns. <b>In Assembly Elections Committee (2-year bill).</b>			
<b>AB 374</b>	<b>Matthews</b>	<b>Slate mailers: peace officer or firefighter organizations</b>	<b>5/23/2001</b>
Requires a slate mailer that purports to represent the position of a peace officer or firefighter organization to include the number of members the organization has statewide and in the counties in which the mailer is sent. Also replaces with asterisks (“****”) the dollar signs (“\$\$\$”) required by Prop 208 to be printed next to the name of any candidate or measure paying to appear in the mailer. <b>On Assembly Floor.</b>			
<b>AB 690</b>	<b>Wesson</b>	<b>Telephone advocacy</b>	<b>5/7/2001</b>
Provides that a candidate, committee or other organization may not expend campaign funds to pay for 1,000 or more similar telephone calls to support or oppose a candidate or ballot measure unless the name of the organization that authorized or paid for the call is disclosed during the course of each call. Phone calls made by a candidate, campaign manager or volunteer are excluded. The bill was amended on 5/7/01 to move it out of the Elections Code and into the Political Reform Act and to make it an urgency statute to take effect upon the Governor’s signature. <b>On Assembly Floor Consent Calendar.</b>			
<b>AB 693</b>	<b>Longville</b>	<b>Personal loans (spot bill)</b>	<b>(2/22/2001)</b>
Changes the threshold for banned personal loans from \$500 to \$300. <b>In Assembly Elections.</b>			
<b>AB 696</b>	<b>Longville</b>	<b>Electronic reporting: online forms and free software</b>	<b>(2/22/2001)</b>
This bill requires the Secretary of State to provide free online forms and software for electronically filing the lobbyist and campaign reports required by the Act. The bill requires that online forms be available on or before April 15, 2002, for lobbyist report filers, and July 1, 2002, for campaign filers. It requires that free software be available by December 1, 2002. Finally, the bill extends by one year, to June 1, 2002, the deadline for a report on the implementation and development of online and electronic filing, and adds a new report due no later than January 31, 2003. <b>On Assembly Appropriations Suspense File<sup>1</sup>.</b>			
<b>AB 1053</b>	<b>Papan</b>	<b>Non-substantive spot bill</b>	<b>(2/23/2001)</b>
This bill makes non-substantive changes to the Act and is a placeholder measure. The Commission has directed staff to request the author amend this bill to shift the ballot measure spokesperson disclosure requirement (Section 84511) of Proposition 34 to the committee making the payment. <b>In print; awaiting Rules assignment (2-year bill unless rules are waived).</b>			

<sup>1</sup> Both houses of the Legislature have a process known as the “Appropriations Suspense File” for holding bills with a fiscal impact of \$150,000 or more in order that budget committees may first deliberate on budget act appropriations and determine what amounts remain for these non-budget act measures.

## LEGISLATIVE REPORT

**Informational Item— Bills Amending the PRA (continued)**

<u>Bill No.</u>	<u>Author</u>	<u>Title</u>	<u>(Intro)/Amend</u>
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<b>AB 1236</b>	<b>Jackson</b>	<b>Ballot measure and candidate ad disclosures</b>	<b>(2/23/2001)</b>
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This bill repeals Article 5 of Chapter 4 and enacts a similar scheme regulating state ballot measure advertisements. (Note that the previous sections regulate all measures—state and local.) In addition, the bill amends the Elections Code to require an initiative petition to indicate on its face whether it is circulated by a paid signature gatherer or a volunteer, and to disclose the campaign's major contributors. The bill requires the ballot pamphlet to identify initiatives that were qualified by volunteers. **In Assembly Rules Committee (2-year bill).**

<b>SB 157</b>	<b>Haynes</b>	<b>Campaign contributions: arbitration</b>	<b>4/16/2001</b>
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This bill prohibits an elected state officer from submitting to binding arbitration a lawsuit against the state or a state agency if the officer has received a contribution of \$250 or more within the preceding 12 months from a party to the lawsuit, the party's attorney or agent. Also prohibits a public official from taking a contribution in excess of \$250 after taking part in certain decisions. **In Senate Elections Committee (2-year bill).**

<b>SB 386</b>	<b>Johnson</b>	<b>Electronic disclosure</b>	<b>3/29/2001</b>
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This bill requires the Secretary of State, in rejecting an online or electronic filing, to notify the filer by electronic mail of the reason(s) for rejection using plain, straightforward language and avoiding technical terms, so that the meaning will be easily understood. *Set for hearing in Assembly Elections Committee on June 19, 2001.*

**Informational Item—Elections Code Bills and Others Not Amending the PRA**

<u>Bill No.</u>	<u>Author</u>	<u>Title</u>	<u>(Intro)/Amend</u>
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<b>AB 931</b>	<b>Frommer</b>	<b>Gift limitations: Insurance Commissioner</b>	<b>4/16/2001</b>
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This bill limits to \$1,000 per source the aggregate amount of travel payments that the Insurance Commissioner may receive from a regulated entity or representative of a regulated entity. The bill was amended out of the Act on 4/16/01 and its provisions moved to the Insurance Code. **On Assembly Floor.**

<b>SB 412</b>	<b>Vasco.</b>	<b>Misleading domain names</b>	<b>5/8/2001</b>
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Makes it a misdemeanor for a candidate, committee, or proponent or opponent of an initiative or referendum measure to deliberately register a domain name for the purpose of directing a person away from the website of that competing candidate or measure, or for the purpose of preventing the competing candidate or measure from acquiring a desired domain. **On Senate Floor.**

<b>SB 798</b>	<b>Speier</b>	<b>Gift limitations: Insurance Commissioner</b>	<b>5/1/2001</b>
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This bill prohibits those regulated by the Insurance Commissioner and their representatives from making a contribution or gift to the Insurance Commissioner or a candidate for Insurance Commissioner. It excludes employees of regulated entities who make gifts or contributions from their personal funds. The bill also prohibits any attorney or law firm under contract or bidding on or under consideration for a contract to represent the Department of Insurance or the Insurance Commissioner from making any contribution or gift. This bill amends the Insurance Code and does not modify the Political Reform Act. **On Senate Floor.**